

DOCKETED

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BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
)
 Business Meeting)
 _____)

REMOTE ACCESS WITH ZOOM

The California Energy Commission's June 25, 2021 Business Meeting will be held remotely, consistent with Executive Orders N-25-20 and N-29-20 and the recommendations from the California Department of Public Health to encourage physical distancing to slow the spread of COVID-19. The public is able to participate and observe the meeting consistent with the direction in these Executive Orders. Instructions for remote participation can be found in the notice for this meeting and as set forth in this agenda.

FRIDAY, JUNE 25, 2021

10:00 A.M.

Reported by:
Jacqueline Denlinger

APPEARANCES

Commissioners

David Hochschild, Chair
Karen Douglas
Siva Gunda
Andrew McAllister
Patricia Monahan

Staff Present:

Noemi Gallardo, Public Advisor
Susan Cochran
Lisa De Carol
Elizabeth Huber, Manager, Compliance Monitoring &
Enforcement Office, Siting, Transmission and Environmental
Protection Division
Jonathan Fong, Manager, School Stimulus Office,
Renewable Energy Division
Drew Bohan
Scott Galati
Robert Sarvey
Giana Villegas
Linda Barrera Chief Counsel

Public Comment

George Piantka
Mike Murphy
Dawn Anaiscourt
Arun Kulkarni
Chris Walker
Christopher Ruch

I N D E X

	Page
Proceedings	5
Items	
1. Small Power Plan Exemption for the Sequoia Backup Generating Facility (19-SPPE-03).	7
2. El Segundo Energy Center (00-AFC-14C).	37
3. Walnut Creek energy Park (05-AFC-92C).	38
4. California Schools Healthy Air, Plumbing and Efficiency Program (20-RENEW-01).	53
5. Lead Commissioner or Presiding Member Reports.	65
6. Executive Director's Report.	70
7. Public Advisor's Report.	70
8. Public Comment.	71
9. Chief Counsel's Report.	71
a. Pursuant to Government Code Section 11126(e), the CEC may adjourn to closed session with its legal counsel to discuss any of the following matters to which the CEC is a party:	
i. <i>In the Matter of U.S. Department of Energy (High Level Waste Repository) (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy (9th Cir. Docket No. 09-71014)</i>	
ii. <i>Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller, (Alameda County Superior Court, Case No. RG13681262, Court of Appeal, First Appellate District, Division</i>	

Four, Case No. A157299)

Adjournment

72

P R O C E E D I N G S

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JUNE 9, 2021

10:00 a.m.

CHAIR HOCHSCHILD: Well good morning, friends.

Thank you for joining our June 25th business meeting.

Let's begin, if we could, with the Pledge of Allegiance led by your Monahan.

(Whereupon the Pledge of Allegiance is recited.)

CHAIR HOCHSCHILD: Thank you, Commissioner. As a reminder, we will be doing our second annual Clean Energy Hall of Fame awards in December of this year, and these awards are intended to recognize leaders across the state who are advancing our clean energy goals. Today is the last day for nominations, which are due by midnight. There are three categories. The Lifetime Achievement Award, a Clean Energy Champion Award and a Youth Game Changer Award. So I'd like to just ask everyone to think if you can name somebody you think is deserving one of these awards to please submit a nomination by tonight. And you can do that through the Public Advisor's Office on our webpage.

Today's business meeting is being held remotely consistent with Executive Order N-08-21 to continue to help California respond to and recover from the mitigated impacts of the Covid-19 pandemic. The public can participate in the workshop consistent with the direction of this executive order. Instructions for participation

1 can be found in the notice for this meeting and set forth
2 in the agenda posted on the Commission's website, a link to
3 this Business Meeting.

4 We are now using Zoom only for remote access.
5 Public comment will be accepted solely through the Zoom
6 platform. If Zoom were to shut down, we would use the
7 Verizon phone line as a backup at 888-823-5065. The
8 passcode is business meeting, and public comment would then
9 be accepted through [indiscernible]. Pursuant to
10 California Code of Regulations Title 20 section 1104(e) any
11 person to make oral comment on any agenda item. To ensure
12 the orderly conduct of business, such comments will be
13 limited to three minutes or less per person as to each item
14 listed on the agenda that is voted on today. Any person
15 wishing to comment on information items or reports, which
16 are non-voting items, shall reserve their comment for the
17 general public comment portion of the meeting agenda, and
18 shall have three minutes or less total to state all
19 remaining comments once the public comment period begins.
20 If you'd like to speak, please raise your hand by clicking
21 on the hand icon at the bottom of your screen. If you're
22 joining by phone, you'll press *9 to raise your hand and *6
23 to a mute. After the public advisor calls on you to speak,
24 spell your name and state your affiliation, if any.

25 Let's move now to Item 1, Small Power Plant

1 Exemption for the Sequoia Backup Generating Facility.

2 MS. COCHRAN: Good morning, Chair and
3 Commissioners. I am Susan Cochran, the hearing officer
4 from the Chief Counsel's Office. And I'm here to present
5 the Revised Committee Proposed Decision on the application
6 for a Small Power Plant Exemption, or SPPE, for the Sequoia
7 Backup Generating Facility. The CEC appointed a Committee
8 consisting of Commissioner Douglas as presiding member and
9 Commissioner Monahan as associate member to conduct
10 proceedings on the application in September 2019. The CEC
11 has exclusive jurisdiction to approve or deny applications
12 for the construction and operation of thermal powerplants
13 that will generate 50 megawatts or more of electricity.
14 Section 25541 of the Public Resources Code creates an
15 exemption known as the Small Power Plant Exemption or SPPE,
16 from that exclusive jurisdiction for powerplants generating
17 100 megawatts or less.

18 To Grant an SPPE, the CEC must make three
19 separate findings. First, that the proposed facility will
20 generate no more than 100 megawatts. Second, that the
21 proposed facility will not have a significant adverse
22 effect on the environment. And third, that the proposed
23 facility will not have a significant adverse effect on
24 energy resources. In addition to the findings under
25 Section 25541, the CEC acts as the lead agency under CEQA

1 on the SPPE.

2 This morning I am presenting to the Revised
3 Committee Proposed Decision that includes the three
4 findings I just described and also includes an analysis of
5 the potential environmental impacts of the Sequoia Backup
6 Generating Facility and the related Data Center of which it
7 is a part.

8 This matter has had a longer procedural history
9 than most other SPPEs that the CEC has considered. In my
10 presentation I will review the proceedings that have
11 occurred since the application was filed that have brought
12 us to this public hearing today, discuss whether the three
13 findings necessary to grant the requested SPPE can be made,
14 and to make a recommendation about resolving the
15 application.

16 This matter was commenced on August 14, 2019,
17 when Cl-Santa Clara, LLC , whom I will refer to as the
18 Applicant for the remainder of this presentation, filed an
19 application for an SPPE. The Applicant proposes to build
20 the Sequoia Data Center, a four-story, 703,450-square foot
21 Data Center building that will house computer servers in a
22 secure and environmentally controlled structure with
23 approximately 70,000 square foot of space dedicated to
24 administrative and office uses. The facility will be
25 located at twenty 2600 De La Cruz Boulevard in Santa Clara,

1 California.

2 To provide an uninterruptible power supply to the
3 Sequoia Data Center, the Applicant proposes to install a
4 total of 54, 2.25 megawatt diesel fired standby generators
5 to serve the information technology load and ancillary
6 power needs for the Data Center. The Applicant initially
7 described these standby generators in the application as
8 complying with US Environmental Protection Agency, U.S.
9 EPA, Tier 2 standards. Prior to filing the application,
10 existing aboveground buildings at the Project site were
11 demolished. Construction of the Backup Generators and the
12 Data Center will require removal of the remaining piping
13 and other infrastructure associated with a former
14 cogeneration facility that was located on the Project Site.

15 In addition to construction of the Backup
16 Generators in the Data Center, the Applicant will build a
17 substation for Silicon Valley Power, or SVP, the local
18 utility. The Backup Generators, Data Center, substation,
19 and other improvements, such as landscaping, are referred
20 to as the Project.

21 On August 24, 2020, the Committee issued its
22 Original Committee Proposed Decision. That Original
23 Committee Proposed Decision recommended that the CEC grant
24 the requested SPPE. In making the recommendation, the
25 Committee considered the whole of the action, which as I've

1 said before, is the Data Center, the Backup Generators, the
2 substation, and the other project features. Their review
3 of the Project's potential environmental impacts was based
4 on an Initial Study and Proposed Mitigated Negative
5 Declaration prepared by CEC staff in January of 2020.

6 On September 9, 2020, the CEC held a public
7 hearing on the Original Committee Proposed Decision. At
8 that time, representatives from the California Air
9 Resources Board, CARB, and the Bay Area Air Quality
10 Management District, Bay Area AQMD, raised questions about
11 the adequacy of the environmental analysis for the Project,
12 focusing on air quality. CARB submitted additional written
13 comments in October 2020 that provided detail on the
14 claimed deficiencies in the environmental analysis.
15 Specifically, CARB and the Bay Area AQMD address the
16 modeling assumptions used to estimate the air quality
17 impacts of routine testing and maintenance of the Backup
18 Generators, as well as the lack of a quantitative analysis
19 of emergency operations.

20 During the September 9, 2020, business meeting,
21 and based on comments from CARB and the Bay Area AQMD, the
22 Commission remanded the application to the Committee to
23 conduct limited additional proceedings to resolve the
24 issues raised by CARB and the Bay Area AQMD. The
25 Commission reconsidered the decision to remand at the

1 November 16, 2020, business meeting and affirmed the
2 decision to remand the proceedings.

3 In December 2020, the Committee provided notice
4 of a committee conference to discuss the issues raised by
5 CARB and the Bay Area AQMD and to determine the process to
6 resolve those concerns. Prior to the committee conference,
7 CARB and the Bay Area AQMD presented a joint
8 recommendation. That joint recommendation stated that if
9 the Project were modified to include U.S. EPA Tier 4
10 compliant Backup Generators, such a modification may make
11 additional air quality analysis and modeling not required.

12 Also, in late December 2020, the Bay Area Air
13 Quality Management District informed the CEC that it had
14 determined that Tier 4 compliant engines were the Best
15 Available Control Technology, BACT available. This new
16 BACT determination was retroactive to January 4, 2020, and
17 therefore applied to the Sequoia Project. The Bay Area
18 AQMD, also presented data to the CEC concerning the
19 operation of Backup Generators at Data Centers in Santa
20 Clara, San Jose, and Sunnyvale. The Bay Area AQMD describe
21 this data as showing that Backup Generators ran for longer
22 times more frequently and for reasons other than utility
23 outages, as was previously known.

24 Applicant filed a revised project description on
25 January 25, 2021, that incorporated Selective Catalytic

1 Reduction SCR, making the engines Tier 4 compliant. The
2 Committee provided direction to CEC staff to file a
3 Compiled Revised Initial Study and Proposed Mitigated
4 Negative Declaration. The Revised IS/PMND, the Revised
5 IS/PMND built on the Original IS/PMND filed by staff in
6 January 2020 and was updated to reflect the addition of the
7 SCR to the Backup Generators and to analyze the potential
8 environmental effects related to the addition of the SCR,
9 most notably in the analysis of air quality impacts. The
10 Committee, I'm sorry, the staff filed that document in
11 February 2021. The Committee held a second evidentiary
12 hearing on May 11, 2021, to address the changes reflected
13 in the revised IS/MPND.

14 On June 4, 2021, the Committee filed a Revised
15 Committee Proposed Decision. The Revised Committee
16 Proposed Decision is based on the Original Committee
17 Proposed Decision filed August 21, 2020, modified to
18 reflect additional information and issues presented to the
19 Committee after publication of that Original Committee
20 Proposed Decision. The Revised Committee Proposed Decision
21 includes four appendices: Appendix A, the Revised IS/MPND;
22 Appendix B, The Mitigation Monitoring Reporting Program
23 that I will discuss shortly; Appendix C, the Exhibit List
24 that includes the documentary evidence, including
25 declarations and written testimony that was submitted at

1 both evidentiary hearings; and Appendix D, the Proof of
2 Service for the Proceeding.

3 The Revised Committee Proposed Decision also
4 includes Attachment A. This document is a red line
5 comparison of the Revised Committee Proposed Decision and
6 the Original Committee Proposed Decision showing additions,
7 deletions and moved text. If the Commission adopts the
8 Revised Committee Proposed Decision as the final decision
9 on the application, Attachment A will not be included in
10 the final decision.

11 As in the Committee, Original Committee Proposed
12 Decision, the Revised Committee Proposed Decision finds
13 that the three issues for granting an SPPE have been met.
14 Let's talk first about generating capacity. On this issue,
15 there is no change from the Original Committee Proposed
16 Decision. In both the Revised Committee Proposed Decision
17 and the Original Committee Proposed Decision, the first
18 finding under Section 25541 requires that the generating
19 capacity of the Backup Generators not exceed 100 megawatts.
20 The Revised Proposed Decision found that the generating
21 capacity of a facility that cannot distribute power offsite
22 should be calculated based on the maximum load of the
23 Project, as well as by permanent design constrictions that
24 limit the amount of power that can be delivered from the
25 generators. In this case, the Project's maximum load

1 includes demand of the servers housed in the Data Center
2 and the cooling lighting load for the buildings. The
3 Project's maximum load was calculated to be approximately
4 96.5 megawatts, which is fixed by the use of electrical
5 equipment as in -- and is an upper capacity limit.

6 The Committee has proposed Condition of Exemption
7 PD-1 to ensure that if the configuration of the Data Center
8 were to change and that change result in an increase in
9 electrical demand, the Applicant must follow the CEC's
10 regulations for a change in project design, operation or
11 performance and amendments to CEC decisions.

12 The Committee has also proposed Condition of
13 Exemption PD-2 that precludes delivery of any of the
14 electricity produced by the Sequoia Backup Generating
15 Facility to be used for any other facility, property or
16 use, including but not limited to delivery to the electric
17 distribution system, also known as the grid, without the
18 express written approval of the CEC.

19 The second question under Section 25541 is the
20 effect of the Project on the environment. The potential
21 effect of the environment was the focus of the majority of
22 the changes in the analysis between the Original Committee
23 Proposed Decision and the Revised Committee Proposed
24 Decision. These changes were the result of the addition of
25 the SCR and the resulting changes to the emissions from the

1 Backup Generators. The portion of the Revised Committee
2 Proposed Decision also responds to issues raised by CARB
3 and the Bay Area AQMD whether the appropriate background
4 concentrations were used to analyze the Project's potential
5 oxides of nitrogen and O₂ impacts and the need to conduct a
6 quantitative analysis of emergency operations.

7 Regarding the data from the Bay Area Air Quality
8 Management District concerning emergency operations of
9 Backup Generators, the Revised Committee Proposed Decision
10 reviews Staff's analysis that information -- of that
11 information and whether the data altered the conclusion in
12 the original Committee Proposed Decision that analysis of
13 emergency operations was speculative. The Revised
14 Committee Proposed Decision concludes that even with the
15 new information from the Bay Area Air Quality Management
16 District, a quantitative analysis of emissions during
17 emergency operations would be speculative. because there
18 was still difficulty when determining precise modeling
19 parameters. For example, background pollution
20 concentrations, the number and location of specific engines
21 being operated, the load factor for each engine, and the
22 length of time of operation, as well as the high
23 reliability of Silicon Valley power, that insures that
24 outages are infrequent and of short duration.

25 The second factor, under 22541, sorry. In

1 conducting this analysis, the CEC also acts as the lead
2 agency under the California Environmental Quality Act. Our
3 analysis of the effect of the -- on the environment
4 considers factors under both CEQA and the Warren-Ahlquist
5 Act. The Revised Committee Proposed Decision shows that
6 the CEC analyzes environmental impacts using the same
7 standards, whether under CEQA or under section 25541. The
8 Applicant included a number of Project design features to
9 mitigate or to avoid potential environmental effects from
10 the demolition, construction and operation of the Data
11 Center and the Backup Generators.

12 Staff prepared the Revised IS/PMND that included
13 the proposed -- that includes proposed additional
14 mitigation measures for biological resources and geological
15 and paleontological resources. The Revised IS/PMND also
16 responded to the comments submitted by CARB and BAAQMD and
17 explain why those comments do not change the conclusions in
18 the IS/PMND, that the Project would not have a significant
19 adverse impact on the environment. The Revised Committee
20 Proposed Decision reflects the response to comments and
21 includes the additional mitigation measures.

22 CEQA requires that the CEC adopt a mitigation
23 monitoring or reporting program, MMRP, and MMRP is attached
24 to the Proposed Decision as Appendix B. CEQA also provides
25 that the CEC may delegate reporting or monitoring

1 responsibilities to another public agency that accepts the
2 delegation. The City of Santa Clara has agreed to monitor
3 Applicants performance of the mitigation measures that the
4 Committee has recommended.

5 The Committee considered the revised IS/PMND
6 during the Committee's adjudicatory process and the
7 proposed -- Revised Proposed Decision includes it as
8 Appendix A. On the basis of Appendix A and the entire
9 record and with the imposition and implementation of the
10 mitigation measures, the Revised Committee Proposed
11 Decision includes findings of fact and conclusions of law
12 regarding the adequacy of our environmental review for both
13 CEQA and the Warren-Ahlquist Act. The revised proposed
14 decision specifically finds that the Project, as modified
15 to include Tier 4 compliant Backup Generators, will not
16 have any adverse impact on the environment.

17 The third and final factor under section 25541 is
18 the effect of the Project on energy resources. This
19 finding is also made in the CEC's role as the CEQA lead
20 agency. Again, as with the review of the environmental
21 impacts from the Project, the Revised Committee Proposed
22 Decision shows that the CEC uses the same analysis
23 on -- for the effect on energy resources for both CEQA and
24 section 25541. Again, there are few changes between the
25 Original Committee Proposed Decision and the Revised

1 Committee Proposed Decision on the issue of the effect of
2 the Project on energy resources. The Revised Committee
3 Proposed Decision concludes that the proposed Project will
4 not have any adverse impact on energy resources.

5 Before proceeding to the public outreach and
6 comments received on the Revised Proposed Decision, I would
7 like to note two things in -- if the CEC grants an SPPE,
8 the Decision does not approve the Project itself, the Data
9 Center, the Backup Generators or the substation. Instead,
10 once granted a small powerplant exemption, allows the
11 Project proponent to obtain any required permits and
12 licenses from other local agencies, in this case, the City
13 of Santa Clara and the Bay Area AQMD. Those agencies will
14 also conduct any other necessary environmental analysis as
15 responsible agencies.

16 Second, the Revised Committee Proposed Decision
17 includes notations that some documents did not have a
18 transaction number, or TN, at the time the Revised
19 Committee Proposed Decision was filed. These are footnote
20 131 on page 14, footnotes 132 and 134 on page 15, and
21 footnote 166 on page 21. Therefore, if you determined to
22 adopt the Revised Committee Proposed Decision, I can
23 provide specific language for your motion to address those
24 minor changes.

25 Turning now to public agency -- public and agency

1 comment, we've had meaningful and substantive participation
2 from the Parties, including Applicant. Staff, and
3 intervenor Robert Sarvey. As detailed above, we have
4 received comments from CARB and the Bay Area AQMD after the
5 publication of the Original Committee Proposed Decision and
6 during the Remand Proceedings. During the public review
7 and comment period on the Original IS/PMND, the Bay Area
8 AQMD, the Department of Toxic Substances Control the and
9 the City of San Jose Airport Department provided comments.
10 The City of San Jose Airport Department also submitted
11 comments on the Revised Project during the proceedings on
12 Remand.

13 Mr. Sarvey submitted comments on the Original
14 IS/PMND and participated in the second evidentiary hearing
15 on May 11, 2021, including making comments on and asking
16 questions about the Revised IS/PMND. Following Remand and
17 the publication of the Revised Committee Proposed Decision,
18 the Committee submitted the notice of intent to adopt a
19 Mitigated Negative Declaration, in this case, the Revised
20 IS/PMND, availability of the Revised Committee Proposed
21 Decision, comment period, and public hearing. This Notice
22 of Intent was publicized in three different ways. It was
23 mailed to responsible trustee agencies and to the Santa
24 Clara County clerk, it was published in the San Jose
25 Mercury News, and it was sent electronically to the proof

1 of service list and ListServ. Publication in the San Jose
2 Mercury News also included inclusion of the notice in the
3 online California Public Notices web page. The Notice of
4 Intent provided a 20-day comment period on the Revised
5 IS/PMND and the Revised Committee Proposed Decision that
6 ended yesterday, June 24, 2021.

7 The CEC received comments on the Revised
8 Committee Proposed Decision from Mr. Sarvey within the
9 deadline. Mr. Sarvey made some comments that touch on
10 subjects raised during the evidentiary hearings and that
11 are accordingly addressed in the Revised Committee Proposed
12 Decision. While I recognize that Mr. Sarvey may disagree
13 with the conclusions reached, the Committee did give
14 thoughtful consideration to all of his comments and
15 arguments raised in the evidentiary hearings and elsewhere
16 in preparing the proposed -- in preparing the Revised
17 Proposed Decision.

18 In addition, Mr. Sarvey offered some changes to
19 Condition PD -- Condition of Exemption PD-2 regarding the
20 use of power generated by the Backup Generator. The
21 Committee has not proposed to adopt this change or any
22 other changes to the Revised Committee Proposed Decision,
23 and therefore, no errata is proposed. I believe Mr. Sarvey
24 can and should speak for himself on his proposed changes
25 and other topics. After the completion of those topics,

1 Staff, the Applicant, and/or I can be ready to address any
2 questions you may have about his comments.

3 I therefore recommend that you adopt the proposed
4 order as amended that adopts the Committee's Proposed
5 Decision as the CEC's final decision and makes findings
6 required to grant a small powerplant exemption. I'm
7 available to respond to any questions that may arise.
8 Also, I have suggested language for a motion to adopt the
9 Revised Committee Proposed Decision should you decide to do
10 so. Thank you for your attention.

11 CHAIR HOCHSCHILD: Thank you, Susan, for that
12 exceptionally thorough overview and for your deliberations.
13 Particularly impressive since you could have done it from
14 the London Bridge. Let's move now to other comments from
15 Staff. Lisa DeCarlo or , DiCarlo or [indiscernible].

16 MS. DECARLO: Good morning Chair, Commissioners.
17 Lisa DeCarlo, Energy Commission staff attorney. With me is
18 CEC staff project manager in this proceeding, Leonidas
19 Payne, as well as a number of other staff who participated
20 in the analysis, should there be detailed questions from
21 the Commissioners? Staff would like to start off by
22 thanking Commissioners Douglas and Monahan and their staff,
23 and Hearing Officer Cochran for your work on the Revised
24 Committee Proposed Decision. We would also like to thank
25 the Applicant and Mr. Galati for their responsiveness to

21

1 our data collection needs.

2 I would also like to personally thank the CEC
3 staff who worked on the application and especially thank
4 those who worked tirelessly this past year to respond
5 quickly and thoroughly to agency comments, committee
6 requests and Project changes. And these team members
7 include, among others, Project manager Lon Payne, Air
8 Resources Supervisor Joey Hughes, engineering office
9 manager Geoff Lesh, and Air Quality and Public Health
10 technical staff Dr. Wenjun Chen, Dr. Ann Chu, and
11 consultant Brewster Birdsall, all under the support of
12 leadership of Deputy Director Shawn Pittard. This team
13 spent many long hours responding under tight deadlines and
14 always had a great attitude, and it was a true pleasure to
15 work with them. Now on to our substantive comments.

16 As Hearing Officer Cochran has described the
17 application for the Sequoia Backup Generating Facility has
18 undergone extensive review and analysis of potential
19 impacts. Staff agrees with the proposed Decision's
20 conclusion that the Project's generating capacity will not
21 exceed 100 megawatts and with the identified mitigation
22 would not result in any substantial impact on the
23 environment or energy resources. Thus qualifying the
24 Project for an exemption from the CEC's jurisdiction.

25 In Mr. Sarvey's comments, he does not raise any

1 new substantive issues that have not already been
2 considered and addressed, nor does he provide any evidence
3 to support a fair argument that the Sequoia Backup
4 Generating Facility would result in a substantial impact on
5 the environment or energy resources.

6 Staff recommends that the Commission adopt the
7 Revised Committee Proposed Decision today and grant the
8 requested exemption. That concludes my comments, and we
9 are available to respond to any detailed questions the
10 Commissioners may have.

11 CHAIR HOCHSCHILD: Thank you so much, Lisa.
12 Let's move on to Scott Galati on behalf of the Applicant.

13 MS. GALLARDO: This is Noemi, the public
14 advisor. Scott Galati, your line is open. You may begin.

15 MR. GALATI: Absolutely. Thank you, Chair and
16 members of the Commission. Appreciate it very much that
17 we're here today to get resolution on a very important
18 project. We'd like to also thank Staff here for the work
19 they did. And what I'd like the Commission to really
20 notice is that even though we went through an entire round
21 and even though we went through a second round, Staff's
22 original analysis was tight, thorough, and ultimately
23 accurate. I think that says a lot about what your staff
24 actually does, and we would like the Commission to really
25 know from an Applicant's perspective, while that can be

1 painful to provide that kind of level of detail, it results
2 in in a document that, quite frankly, the Commission should
3 rely on first. And it should be a very high standard for
4 somebody to come in and say that staff did not do a
5 thorough job. So this is a perfect example of why that
6 work should be relied upon.

7 Second, just one comment on Mr. Sarvey's
8 comments. It's scary to hear somebody say the word fair
9 argument and low bar, which is thrown around in the CEQA
10 language quite a bit, but in a normal CEQA process in front
11 of a city or a county, that's an important step and it's an
12 important step because those agencies don't have the
13 subsequent review after a document is prepared that the
14 Commissioners do. So in this case, when someone makes a
15 claim that they met the fair argument standard, they have
16 to not just look at what the IS/MND did, but they have to
17 look at the whole of the record, because what happens in a
18 Commission process is the Committee gets to actually hear
19 all of the basis for this fair argument under direct and
20 cross examination, under subsequent filings, under expert
21 testimony.

22 What ended up happening in this case was simply
23 Staff explaining why these fair arguments that Mr. Sarvey
24 has alleged he has made were incorrect or unsupported, and
25 that is what happened in this case. So the idea that an

1 EIR always needs to be prepared or an EIR needs to be
2 prepared because Mr. Sarvey had made a fair argument, is
3 just not factually nor legally correct when you consider
4 how the Committee took time, effort, and evidentiary
5 hearings to determine whether such a fair argument or
6 assertion rose to the level of fair argument. And it
7 simply did not here. And I don't think the Commission
8 should be concerned or worried that a court would not look
9 at what it did here and determine that it abused its
10 discretion. I bet the court would say cities and counties
11 should follow the same process.

12 So with that, we ask that the Revised PMPD be
13 granted, that the small power plant exemption be granted
14 and that this Project can go back to the City of Santa
15 Clara, where it belongs for its permits and get people back
16 to work. Thank you.

17 CHAIR HOCHSCHILD: Thank you. Let's turn now to
18 Robert Sarvey as the intervener.

19 MS. GALLARDO: This is Noemi, the public adviser.
20 Robert Sarvey. Your line is open if you would like to make
21 a comment.

22 CHAIR HOCHSCHILD: Mr. Sarvey, are you able to
23 hear us?

24 MR. SARVEY: Can you hear me now?

25 CHAIR HOCHSCHILD: Now we can hear you. Yeah.

1 Go ahead, Sir.

2 MR. SARVEY: Thanks very much, Commissioners. I
3 just wanted to respond to what Commissioner Galati just
4 said about fair arguments, and then I'd like to go on to
5 other issues. The claims that I've made in this proceeding
6 have been supported by CARB and BACT, and so my fair
7 argument has been firmly supported by the air quality
8 experts, the real experts. In fact, the rest of the Data
9 Center is now being permitted, or being required to file
10 EIRs, in contrast to what Mr. Galati just told you. And I
11 would like to take this opportunity to thank the EIRs'
12 Board for or insisting that the [indiscernible] emergency
13 operation of the 54 diesel engines in this proceeding, and
14 the other Data Center proceedings. Unfortunately, that
15 never happened. I want to thank the Air Resources Board
16 for telling this Commission that modeling emergency
17 operation of the Sequoia Backup Generators is foreseeable
18 and anticipated. Because reasonable assumptions can be
19 made, the modeling should be done.

20 Thanks to CARB for telling this Commission that
21 it would be appropriate to consider ambient air quality
22 impacts of multiple Data Centers, not just generators, thus
23 the CEC is considering several projects in the same area.
24 And I want to thank the Bay Area Air Quality Management
25 District for the last five Data Center proceedings, they

26

1 have asked you to eliminate diesel generation in this
2 disadvantaged community. The bad news is that the CEC
3 staff and various applicants have been telling you that
4 alternatives to these are not feasible.

5 The good news is the San Jose Data Center,
6 modified their project three days ago to change the
7 generators from diesel to natural gas. And according to
8 the San Jose Data Center status report, Microsoft has
9 completed its analysis and has determined that the use of
10 natural gas generators as backup electricity is feasible
11 and can also allow the San Jose City Data Center to
12 participate in voluntary load shedding resource adequacy
13 programs to assist in providing new grid reliability.

14 This Commission has now authorized 600 megawatts
15 of diesel generation in this EJ community. As the
16 Commission required alternatives, which I have identified
17 two and a half years ago during McLaren proceeding, over
18 600 megawatts of diesel generation could have been
19 eliminated in this EJ community. As the Commission
20 required alternatives, we could now also have a potential
21 600 megawatts of demand response from these Data Centers
22 Backup Generators. These are lost opportunities. But you
23 can still eliminate the 112 megawatts of diesel generation
24 right now by rejecting this Revised Proposed Decision.

25 Finally, I want to thank BAAQMD for insisting

1 that this Data Center and the five other Data Centers
2 permitted by the CEC be required to enroll in the Silicon
3 Valley Clean Energy Program. Had this been required, we
4 could have eliminated this project's potential 165,225
5 metric tons of CO₂ per year. It would have triggered the
6 acquisition of renewable energy projects by SBP to meet
7 this green demand and State's carbon reduction goals.
8 Overall, the Commission could have eliminated a potential
9 687,882 metric tons a year of unmitigated GH emissions over
10 the five Data Centers that is now permitted.

11 This Project and the other pending Data Center
12 applications, it's not too late. The Commission has the
13 authority to establish a threshold of significance for GHG
14 emissions for this project and other future Data Center
15 applications. The BAAQMD 2017 CEQA guidelines, which we
16 were allegedly used to evaluate the CEQA compliance for
17 this Project, have a threshold of significance for GHG
18 emissions from a facility of this type of 1,100 metric tons
19 of CO₂ per year. This Project's 165,225 metric tons per
20 year is over 150 times the BAAQMD threshold of significance
21 for GHG emissions.

22 You merely need to set up a significant limit for
23 the GHG emissions, and then you can require this Project to
24 enroll in the Silicon Valley Clean Energy Program merely by
25 declaring the 165,225 metric tons per year a significant

1 impact, thereby allowing you to require this Project to
2 utilize clean energy. Do the right thing and deny this
3 application. Require cleaner alternatives to diesel
4 generation and require the applicant to enroll in the
5 Silicon Valley Power Green Energy Program. There is still
6 an opportunity to demonstrate leadership here. Listen to
7 the Air Resources Board and the Bay Area Air Quality
8 Management District. They're the experts. Deny the
9 application. Thank you.

10 CHAIR HOCHSCHILD: Thank you, Mr. Sarvey. Let's
11 turn now to public comment. Madam Public Advisory, do we
12 have any public comment on Item 1?

13 MS. GALLARDO: All right. I'm going to check for
14 that now. This is Noemi, the public adviser. Just a
15 reminder to our audience, if you would like to make a
16 public comment, please raise your hand using the feature on
17 the screen. If you are on my phone, please press *9 to
18 indicate you'd like to make a comment and then *6 to
19 unmute. Chair, I do not see any hands raised, so no public
20 comment on Item number 1.

21 CHAIR HOCHSCHILD: Okay. Well first of all, let
22 me thank all the commenters and staff for this very, very
23 thorough overview and the comments that were -- that were
24 made. And also Commissioner Douglas and Commissioner
25 Monahan for your service on the committee. So,

29

1 Commissioner Douglas, I defer to you and other
2 commissioners if there's an interest in going to a closed
3 session. And I apologize. I'm, with my set up here, I'm
4 in Southern California, I can't see anybody, but I can hear
5 you. So maybe Commissioner Douglas, starting with you,
6 your thoughts and recommendations on whether we can go to
7 closed session.

8 MS. GALLARDO: Real quick, this is Noemi, the
9 public adviser. Sorry for interrupting. I did see your
10 hand go up --

11 CHAIR HOCHSCHILD: Okay.

12 MS. GALLARDO: -- right after we said that there
13 wasn't any. So and I just saw the hand go down now.

14 CHAIR HOCHSCHILD: All right.

15 MS. GALLARDO: So audience if you would like to
16 make a comment, please raise your hand now so that we
17 can --

18 CHAIR HOCHSCHILD: Okay.

19 MS. GALLARDO: -- address you and open your
20 line. Moving on.

21 CHAIR HOCHSCHILD: Okay. Let's go to
22 Commissioner Douglas.

23 COMMISSIONER DOUGLAS: All right. So thank you,
24 Chair Hochschild. I just had some brief comments to make.
25 I wasn't going to recommend closed session myself, although

1 I'm more than -- more than happy to do it if there is a
2 desire to have that deliberation in closed session. But I
3 was just hoping to maybe kick things off with some brief
4 comments.

5 I wanted to thank Susan Cochran for the very
6 thorough background she provided on the procedural history
7 of this case and on the really extensive review of the
8 issues that were raised over the course of this long
9 proceeding. And I wanted to also thank everyone who worked
10 very hard to get this matter ready for our consideration
11 today, and specifically my associate member on this
12 Committee, Patty Monahan, and her advisor, Mona Badie, the
13 CEC staff, the Applicant, the Interveners, and the hearing
14 officer here in our policy unit, and our technical advisor,
15 Jim Bartridge, and my advisors.

16 This has been, as I said, a long process. We've
17 worked through a lot of issues here and we had the benefit
18 of really helpful comment and engagement and participation.
19 I want to particularly provide acknowledgment to the Bay
20 Area Air Quality Management District and Silicon Valley
21 Power for providing witnesses who testified at the
22 evidentiary hearing, as well as the Air Resources Board for
23 its input on this matter.

24 As was mentioned, much of this proceeding was
25 conducted remotely, but we actually did start and were able

1 to hold a public hearing before the shelter in place was
2 issued. So we did hold a committee conference on both the
3 Walsh and Sequoia SPPE applications in the City of Santa
4 Clara to give members of the community an opportunity to
5 participate in person in this process. And I think it's
6 helpful as well, to reiterate one point made by the hearing
7 officer, Susan Cochran, this morning, which is also stated
8 in the Committee Proposed Decision, which is that approval
9 of the Sequoia SPPE application is not an approval of the
10 Applicant's Proposed Project. Instead, CEC approval would
11 exempt the Project from the CECs Application for
12 Certification, or AFC process. And even with that
13 exemption, the Project must still, as Mr. Galati noted as
14 well, obtain approvals from the City of Santa Clara in the
15 Bay Area Air Quality Management District.

16 The Committee Proposed Decision includes the
17 findings necessary to grant the SPPE. I believe the
18 hearing officer covered the key points in her presentation,
19 and I think it would be helpful to see what questions or
20 comments there are from fellow Commissioners. But perhaps
21 if we could go to the associate member, Commissioner
22 Monahan, next and see what remarks you'd like to provide.
23 That would be great.

24 CHAIR HOCHSCHILD: Thank you. Commissioner
25 Monahan.

1 COMMISSIONER MONAHAN: Yes. Thanks. Well first,
2 I want to echo the comments made by Commissioner Douglas.
3 And I do want to thank folks for their participation. I
4 mean, staff Intervenor, Mr. Sarvey, the Applicant
5 represented by Mr. Galati. You know, there's just been a
6 lot of thoughtful engagement through this entire
7 proceeding. And their participation and input have really
8 helped to make this an extremely robust process, which has
9 resulted in a thorough consideration of all the issues
10 presented in this SPPE. And I really particularly want to
11 thank hearing officer Susan Cochran. She's been
12 indefatigable, unflappable, and really, you know, thorough
13 throughout this entire process. Karen Holmes, who's been
14 her sidekick, has really helped in terms of the Air Quality
15 Analysis and sorting through of legal issues as well. And
16 my advisor, Mona Badie, who you know, stepped in newly, to
17 support me and has done a great job in helping shepherd
18 some of the issues. And Commissioner Douglas and her
19 advisors have had just had stellar leadership and just
20 really appreciate all that Commissioner Douglas has brought
21 to this and her advisers who have really been key
22 throughout this process.

23 So, you know, as Commissioner Douglas said, this
24 is an extremely, extremely robust process. There's been a
25 thorough vetting of the issues that have emerged, including

1 the most recent set of issues that were raised by the Bay
2 Area Air Quality Management District and by the California
3 Air Resources Board. This -- these new issues, you know,
4 required a new set of analysis for the Applicant's use.
5 Also of Tier 4 after treatment required greater analysis
6 and legal review. And for those of you not steeped in the
7 air quality, they -- Tier 4 for is the most stringent after
8 treatment available for smog forming nitrogen oxides and
9 particulate matter. So this is kind of state of the art
10 when it comes to aftertreatment technology for diesel
11 equipment. And we carefully considered input from all the
12 Parties. And I feel, you know, really good about the
13 Revised Committee Proposed Decision.

14 So as I noted the last time this issue was
15 brought before a business meeting, I do hope in the future
16 that zero emission technologies like hydrogen powered fuel
17 cells can be used for backup power. Microsoft is testing
18 this right now in their Data Centers and you know, the
19 future is clear. We need to move to a zero emission
20 future. We need to move to a cleaner air option for these
21 backup -- for Backup Generators. And so I simultaneously
22 like very strongly support the decision we're making. And
23 I look forward to a future [indiscernible], I think by
24 investments here at the Energy Commission in these zero
25 emission technologies where we don't have to make these

1 kinds of decisions.

2 CHAIR HOCHSCHILD: Thank you, Commissioner.

3 Well, speaking for myself, I am satisfied and prepared to
4 move forward, unless there is a request for a closed
5 session or additional comments from Commissioner McAllister
6 and Commissioner Gunda. And I apologize, I cannot see
7 either of you. So just speak up if you -- yeah.

8 COMMISSIONER MCALLISTER: This is Commissioner
9 McAllister. No additional comments from me. I think,
10 Commissioner Douglas and Monahan, thanks for your service
11 on this -- on this topic and on this application, or
12 exemption, rather. And I'm satisfied that my questions
13 have been answered.

14 CHAIR HOCHSCHILD: Okay. With that, if I could
15 invite Commissioner Douglas to make a motion and
16 Commissioner Monahan to second.

17 COMMISSIONER DOUGLAS: Yes. I -- I'm now
18 wondering if there are -- if there's anything in
19 particular, Hearing Officer Cochran, in terms of the
20 motion, is there any specific language you recommend here?

21 MS. COCHRAN: Yes. Thank you, Commissioner
22 Douglas. I think that your motion should say something
23 along the following: I move that we adopt the Proposed
24 Order that was prepared and filed in the docket with the
25 following changes; delete the text on page one of the

1 proposed order that reads (the Errata dated June xx, 2021)
2 and related footnote at the bottom of page 1. Delete the
3 bracketed information in paragraph one. On page two,
4 delete the bracketed information in numbered paragraph
5 three on page two and add the following text after the end
6 of the first sentence in that paragraph: the Hearing and
7 Policy Unit of the Chief Counsel's Office is directed to
8 update footnote 131 on page 114, footnotes 132 and 134 on
9 page 15, and footnote 166 on page 21 to reflect the
10 relevant transaction number from the docket for the
11 identified documents in preparing the Commission Final
12 Decision. Easy for me to say.

13 COMMISSIONER DOUGLAS: All right. Thank you.
14 Hearing Officer Cochran. So moved.

15 CHAIR HOCHSCHILD: Okay. Is there a second,
16 Commissioner Monahan?

17 COMMISSIONER MONAHAN: I second this.

18 CHAIR HOCHSCHILD: Okay. All in favor, say aye.
19 Commissioner Douglas?

20 COMMISSIONER DOUGLAS: Aye.

21 CHAIR HOCHSCHILD: Commissioner Monahan?

22 COMMISSIONER MONAHAN: Aye.

23 CHAIR HOCHSCHILD: McAllister?

24 COMMISSIONER MCALLISTER: Aye.

25 CHAIR HOCHSCHILD: Commissioner Gunda?

1 COMMISSIONER GUNDA: Aye.

2 CHAIR HOCHSCHILD: And I vote aye as well. Item
3 1 passes unanimously. Thank you to all the Parties.

4 MS. COCHRAN: Thank you very much.

5 CHAIR HOCHSCHILD: Turning now to Item 2, El
6 Segundo Energy Center.

7 MS. HUBER: Good morning, Chair and
8 Commissioners.

9 MS. GALLARDO: Elizabeth, apologies.
10 You're -- you are muted. If you could unmute on the
11 screen.

12 MS. HUBER: Oh, my apologies. Good morning,
13 Chair and Commissioners. My name is Elizabeth Huber. I
14 manage the Office of Compliance Monitoring Enforcement of
15 the Siting Transmission and Environmental Protection
16 Division. With me today, our lead compliance project
17 manager, Joseph Douglas and lead counsel Kerry Willis.
18 Also with us today, representing the Project owner Clearway
19 NRG are Michael Murphy, Kevin Malcarney, George Piantka,
20 and Project consultant Greg Wolffe. We're here to present
21 on El Segundo Energy Center's petition to uprate their
22 turbines on Units 5 and 7. Next slide, please.

23 In 2020, two extreme heat events impacted the
24 western United States. In response, California Governor
25 Newsome directed the California Energy Commission in

1 collaboration with the California Public Utilities
2 Commission and the California Independent System operator
3 to address potential additional generation supplies for
4 2021 and beyond. As a result, the CEC hosted a workshop on
5 December 2nd, 2020 that highlighted to electricity
6 stakeholders, a range of options for incremental upgrades
7 at existing facilities to increase their capacities. The
8 El Segundo Project, presented here in Item 2, as well as
9 the Walnut Creek Project that will be presented in Item 3,
10 are two of seven such projects filed with the CEC this past
11 winter. El Segundo submitted their petition to the CEC to
12 make improvements in the logic control systems, enabling
13 the units to increase their overall nominal output and
14 improving their overall net generation to the grid by more
15 than 30 megawatts. Next slide, please.

16 El Segundo is a 560 megawatt rapid response
17 combined cycle facility using dry cooling and zero liquid
18 discharge technology and was first approved by the CEC in
19 July of 2010 and came online in 2013. The facility is in
20 the southern part of the City of El Segundo, less than a
21 quarter mile from the Los Angeles Department of Water and
22 Power Scattergood Generating Station. Next slide, please.

23 The amendment is needed to increase the allowable
24 heat rate to be representative of the maximum heat input
25 rating of the equipment. El Segundo is currently

1 dispatched to serve peak power demand and needs to be
2 permitted to operate at the maximum possible load to
3 service that demand, especially during extreme heat events.
4 Thus, as described in the order before you, staff proposes
5 to incorporate the required revisions in the South Coast
6 Air Quality Management District's Air Quality Permit, as
7 approved by the United States Environmental Protection
8 Agency into the Project's existing CEC license. Next
9 slide, please. Staffers reviewed the petition pursuant to
10 Title 20 of the California Code of Regulations Section 1769
11 and concluded that the modification to the air quality
12 conditions of certification would not result in a
13 significant impact on the environment or in the surrounding
14 environmental justice populations, and remains in
15 compliance with all applicable laws, ordinances,
16 regulations and standards. Staff recommends approval of
17 this petition. Thank you.

18 CHAIR HOCHSCHILD: Thank you so much, Elizabeth.
19 Let's move now to a public comment on Item 2.

20 MS. GALLARDO: This isn't Naomi Gallardo, the
21 public adviser. I do see some hands, so we will start with
22 George Piantka. And this is a reminder to please spell
23 your name and indicate your affiliation, if any, before
24 speaking. George, your line is open, you may begin.

25 MR. PIANTKA: Hi. Thank you. Good morning,

1 Public Adviser. Good morning, Commissioners. I'm George
2 Piantka. I'm senior director of environmental for NRG and
3 I'm speaking on behalf of El Segundo Energy Center NRG
4 through its subsidiary. Energy Services Group is the
5 operator of Segundo Energy Center. I'm going to share my
6 comments with Mr. Michael Murphy. He's the vice president
7 of Clearway, the owner of El Segundo Energy Center, LLC.
8 He'll come on afterward. And we also have Kevin Malcarney,
9 General Counsel of Clearway, and Greg Wolfe, our air
10 consultant lead with York Engineering, available.

11 El Segundo Energy Center, as you mentioned, is
12 responding to the need of the State in response to the
13 extreme events of last summer. It adds incremental,
14 critical incremental generation, about 30 megawatts. And
15 what it does is it achieves the net output, the original
16 output in our license to 560 megawatts. So the
17 programming, the fuel input, the efficiencies that this
18 plant now has will enable it to provide that incremental
19 generation. And we're able to do this by meeting all
20 ambient air quality standards and BACT. There will not be
21 an increase in monthly or annual emissions. And in this
22 plant, or this project, will now include a daily fuel
23 limit, which also helps to ensure that all daily emissions
24 are met.

25 I want to thank the staff, the CEC staff. This

40

1 was a rapid amendment and the leadership of Shawn Pittard,
2 Elizabeth Huber, Joe Douglas and the air quality staff,
3 including Joey Hughes and Wenjun Qian.

4 So we're seeking the approval of this Commission
5 today of this very important project, if you will. I'd
6 like to introduce now Michael Murphy.

7 MS. GALLARDO: Thank you, George. I will now
8 open Mike Murphy's line. Mike, your line is open. Mike,
9 your line is open, you may need to mute on your end.

10 MR. MURPHY: Can you hear me now?

11 MS. GALLARDO: Yes.

12 MR. MURPHY: There we go. Good morning,
13 everyone. My name is Michael Murphy and I'm a vice
14 president of Clearway Energy, the owner of El Segundo
15 Energy Center. Clearway Energy is a publicly traded,
16 sustainable, independent power producers with over 8,000
17 megawatts of wind, solar and natural gas fired generation
18 assets across the US, including nearly 4000 megawatts in
19 California. As you've heard from CEC staff and from our
20 project team, approval of this project will increase El
21 Segundo Energy Center by 30 megawatts to help us manage
22 electricity need during peak demand this summer and for
23 years to come. I would echo George in thanking the South
24 Coast Air Quality Management District, EPA Region 9, and
25 the California Energy Commission staff, and the

1 collaboration expertise with processing of air current
2 modification and the CEC license amendment. We ask the
3 Commission for your approval of the amendment. I would be
4 glad to take any questions you might have.

5 MS. GALLARDO: Thank you. Next up Dawn
6 Anaiscourt. Dawn, apologies if I mispronounced your name.
7 Please repeat your name and spell it and then indicate your
8 affiliation, if any. Your line is open, Dawn. You may
9 begin. Dawn, your line is open, you may begin. And you
10 may need to unmute on your end.

11 CHAIR HOCHSCHILD: Were there any additional
12 public comments, in addition to Dawn, or was that the last
13 one.

14 MS. GALLARDO: That's the last one.

15 CHAIR HOCHSCHILD: Okay.

16 MS. GALLARDO: It looks like she's unmuting, but
17 I do not hear her.

18 CHAIR HOCHSCHILD: Okay. Let's move on. If she
19 can pipe up, we'll come back to her. Let's turn now to
20 Commissioner discussion. Commissioner Douglas, want to
21 start us off?

22 COMMISSIONER DOUGLAS: Yeah, I'd be happy to.
23 Thank you. Chair Hochschild. I want, you know, I
24 appreciate the presentation and I just wanted to underscore
25 a few points that were made. Last December I led a lead

1 Commissioner workshop that a number of you attended on
2 Incremental Efficiency Improvements that can be Made to the
3 Natural Gas Fleet to enhance system reliability and
4 resiliency. And we had a number of panelists representing
5 different perspectives to provide input and focused on the
6 natural gas fleet in California and how we can, as was
7 noted, to increase the efficiency and effectiveness of the
8 plants that we have. So this proposal aligns with the
9 goals of that workshop and helps us improve efficiency and
10 improve reliability, and I support approval of this item.
11 I think that those are my comments for now. Thank you.

12 CHAIR HOCHSCHILD: Yeah, I have a few comments to
13 share as well. But let me just see if there's any other
14 Commissioners who like to chime in. Please pick up. I'm
15 not able to see you. You know unless there's others who
16 would like.

17 You know I just want to say thunderous agreement.
18 You know, we are now experiencing weather in June that we
19 thought we'd be seeing in August. Our situation with the
20 grid is urgent. We're -- it's really an all hands on deck
21 moment. And we need every tool at our disposal, including
22 demand response, and energy storage, as well as efficiency
23 enhancements to the existing gas needs.

24 So I really want to thank all the Parties today
25 for the efforts you've undertaken to get us to this point.

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1 I'm in full support of this and I think it will be
2 beneficial for the State and our grid as a whole. And
3 unless there's other comments, I'd invite Commissioner
4 Douglas to make the motion.

5 COMMISSIONER DOUGLAS: Thank you. I move for
6 approval of this Item.

7 CHAIR HOCHSCHILD: Commissioner McAllister, would
8 you be willing to second?

9 COMMISSIONER MCALLISTER: I will second.

10 CHAIR HOCHSCHILD: Okay. All in favor, say aye.

11 Commissioner Douglas

12 COMMISSIONER DOUGLAS: Aye.

13 CHAIR HOCHSCHILD: McAllister?

14 COMMISSIONER MCALLISTER: Aye.

15 CHAIR HOCHSCHILD: Monahan?

16 COMMISSIONER MONAHAN: Aye.

17 Commissioner Gunda?

18 COMMISSIONER GUNDA: Aye.

19 CHAIR HOCHSCHILD: And I vote aye as well. That
20 Item passes unanimously. Thank you to all the Parties.

21 Let's turn now to item three, Walnut Creek Energy
22 Park.

23 MS. HUBER: Thank you, Chair. Good morning
24 again. My name is Elizabeth Huber and I manage the Office
25 of Compliance Monitoring Enforcement within the Siting on

1 Transmission Environmental Protection Division. With me
2 today is lead compliance project manager, Eric Veerkamp and
3 lead counsel Kerry Willis. We also have from the
4 engineering office, manager Geoff Lesh, and technical staff
5 Joseph Hughes and Tao Jiang. Also available for questions
6 is Dawn Anaiscourt with Southern California Edison and
7 again representing the Project owner, Clearway Energy are
8 Michael Murphy, Kevin Malcarney, George Piantka, and
9 project consultant Greg Wolffe. What Walnut Creek Energy
10 Park is the second of the two projects brought to you this
11 morning in response to last year's directive? They are
12 requesting modification to their c c license. Next slide,
13 please.

14 In response to the six December 2020 workshop and
15 the California Public Utility Commission's December ruling
16 directing the state's three investor owned utilities to
17 seek contracts for additional power capacity during this
18 summer's peak demand, Walnut Creek project owner submitted
19 a petition to the FCC to modify their conditions of
20 certification in order to increase the facility's maximum
21 peak output by seventeen point four megawatts. Next slide,
22 please.

23 Walnut Creek is a 500 megawatt, natural gas
24 fired, simple cycle generating facility located in the city
25 of industry's industrial zoned area. The facility received

45

1 its D.C. license in February 2008 and came online in May
2 2013 as a peaking facility designed to meet electric
3 generation load during periods of high demand and provide
4 the faster capabilities needed for base in voltage support
5 and to help integrate renewable energy resources into the
6 grid. On December 28, 2020, Clearway energy contract with
7 Southern California Edison to provide those additional
8 seventeen point four megawatts of power for the CPAC
9 ruling. And then on March 16, 2021, they filed with the
10 FCC a petition to modify their conditions of certification.
11 Next slide, please.

12 When originally approved, the facility's gas
13 turbines were permitted using a nominal heat rate rather
14 than a maximum heat rate, improved technology has become
15 available, allowing a more efficient combustion process
16 while accompanied by discrete changes to air quality
17 impacts as drafted in the South Coast Air Quality
18 Management District Air Permit and approved by the United
19 States Environmental Protection Agency. Again, as
20 described in this order before you, these modifications
21 would address the state's urgent need for additional
22 capacity, as well as increasing the efficiency of the
23 combustion process to maximize the capabilities of the
24 Plant. Next slide, please.

25 Staff has reviewed the petition pursuant to Title

1 20 California Code regulations, Section 1769, specific to
2 post certification amendments and changes. And has it
3 concluded that modifications to the air quality conditions
4 of certification would not result in significant impact on
5 the environment and remains in compliance with all
6 applicable laws, ordinances, regulations and standards.

7 In conclusion, Staff recommends approval of this
8 petition to modify the conditions of certification. Thank
9 you.

10 CHAIR HOCHSCHILD: Thank you. Let's turn now to
11 public comment.

12 MS. GALLARDO: This is Noemi Gallardo, the public
13 adviser, reminding audience to please raise your hand if
14 you would like to make a public comment. If you're on by
15 phone press *9 to indicate you'd like to comment and then
16 *6 to unmute. So there are several people with raised
17 hands. First is George Piantka. George, I am going to
18 open your line. You may begin.

19 MR. PIANTKA: Yes. Thank you, Public Adviser and
20 again, thank you, Commission. It's really fortunate,
21 really thank the staff and all leadership to put this item
22 together with El Segundo and so we can officially present
23 both today. So good morning again. I'm George, senior
24 director for NRG and I'll be speaking on behalf of Walnut
25 Creek Energy, LLC. NRG is the operator through its

1 subsidiary, Energy Services Group, and Mr. Murphy will also
2 speak. Walnut Creek, this uprate project, again, in
3 response to the need of the State, as is evident from last
4 year's extreme heat and as, as the Chair indicated, the
5 extreme heat we've already seen earlier this month. It
6 adds incrementally about 17 megawatts. And we're going
7 have a real, you know, opportunity with this this project
8 to go ahead and, you know, test the outputs and with the
9 fuel input increases, the ammonia increases that are
10 afforded by this permit will be able to help the State and
11 demonstrate, you know, the new net output or the new gross
12 output and that output of the units.

13 One -- this project will not result in an
14 increase in monthly or annual emissions, and what likely
15 includes a daily fuel limit to ensure daily emissions are
16 met. I want to thank the CEC staff. Again, Ms. Huber, Mr.
17 Pittard, and Eric Veerkamp, as the compliance project
18 manager. And I failed to recognize South Coast aide,
19 Kennedy [ph.]. I want to thank them, in particular, Tom
20 Leeville [ph.], Mr. Chan, Mr. Kalanga Chan and in and Mr.
21 Chris Perry. Christian Avilla [ph.] as well, as he's
22 helped on these projects, including El Segundo.

23 So in this case, we're asking CEC staff to
24 consider this proposal and recommend approval.

25 Thank you very much.

1 MS. GALLARDO: All right.

2 CHAIR HOCHSCHILD: Thank you. Any additional
3 comment?

4 MS. GALLARDO: Yes. This is Noemi, public
5 advisor. Next is Mike Murphy. Mike, your line is open,
6 you may begin.

7 MR. MURPHY: Thank you. Good morning again.
8 This is Mike Murphy, I'm a vice president of Clearway
9 Energy, also the owner of Walnut Creek Energy Park. As you
10 heard from Staff and from George, approval of this project
11 will increase output from Walnut Creek by about 17
12 megawatts to help the State once again manage electricity
13 need during peak demand hours.

14 Again, I want to echo George in thanking South
15 Coast [indiscernible], the EPA and CEC staff for all their
16 work on the permit modification and CEC license process.
17 We asked the Commission for your approval of this amendment
18 and would be glad to take any questions that you have.

19 CHAIR HOCHSCHILD: Thank you. Any additional
20 comment, Noemi?

21 MS. GALLARDO: Yes. We -- next one is someone on
22 by phone with phone number ending in 941. I am going to
23 open up that line. We -- please state your name, spell
24 your name and indicate your affiliation, if any. The phone
25 number with ending in 941 is open.

1 MS. ANAISCOURT: Good morning, Commissioners and
2 Staff. This is Dawn Anaiscourt. First name D-A-W-N. Last
3 name A-N-A-I-S-C-O-U-R-T. I'm a director with Regulatory
4 Affairs for Southern California Edison. SCE supports the
5 approval of the modified certifications for El Segundo
6 Energy Center, which you have just approved. Thank you.
7 And Walnut Creek Energy Park. The additional generation
8 these resources can provide will help the State meet summer
9 load demands and improve reliability of our grid. We
10 appreciate the swift action and coordination across
11 multiple State agencies to accomplish this objective.

12 SCE urges the commission to approve a proposed
13 order for Walnut Creek today to ensure that the additional
14 capacity is available to the State as soon as possible,
15 especially in light of the reliability concerns that were
16 raised during last week's heat event. Thank you for the
17 opportunity to comment on these items.

18 CHAIR HOCHSCHILD: Thank you.

19 MS. GALLARDO: Thank you. We have another
20 comment. This is Arun Kulkarni. And Arun, I apologize if
21 I mispronounce your name. Please state your name, spell
22 it, and indicate your affiliation, if any. Your line is
23 open. You may begin. Aaron or Arun, apologies if I'm
24 mispronouncing it. Your line is open. You may begin and
25 you may need to unmute on your end.

1 MR. KULKARNI: Yes.

2 MS. GALLARDO: Go ahead.

3 MR. KULKARNI: I am Arun Kulkarni. I am a social
4 worker and I have an idea that climate disaster is going to
5 happen, and everybody will suffer for that. But instead of
6 that nature has given us such a power that we can stop it
7 immediately. See, every house must have solar panels so
8 that they will produce 500 times more energy than it is
9 required today.

10 Secondly, wind energy power, [indiscernible] at
11 producing a lot of green and that if we try some wind
12 turbines along the freeway, we can get. And thirdly, in
13 India, it is successful that biogas plant is every town.
14 They are polluting emergency electricity when there is a
15 shortage of solar energy or wind energy. If America can do
16 this, that would be example for the world. And California
17 will be the richest state and we are now importing 30%
18 electricity. We will be in position to export a 500 times
19 more.

20 This is my request to you -- all people that
21 please think about it. And solar, cost of the solar panel
22 will be recovered within three or four years or five years
23 because every house will produce more energy than they
24 require, and it will be purchased by the department, and we
25 can pay the load of debt. This is my request. Thank you,

51

1 very much.

2 MS. GALLARDO: Thank you.

3 CHAIR HOCHSCHILD: Thank you for those comments.

4 MS. GALLARDO: Chair, that's the last hand. We
5 can move forward.

6 CHAIR HOCHSCHILD: Okay. All right, let's go on
7 to Commissioner discussion, starting with Commissioner
8 Douglas. And by the way, let me just thank Commissioner
9 Douglas for her oversight again of the Siting Division and
10 Shawn Pittard and his team for all the diligence to get us
11 to this point. We did have a really robust discussion
12 about this in the fall and winter. Very pleased to see
13 this progress. I just wanted to say thank you. So,
14 Commissioner Douglas.

15 COMMISSIONER DOUGLAS: Thank you, Chair
16 Hochschild. And I'll join you in thanking Shawn Pittard
17 and his team for really prioritizing these and moving them
18 forward in a very timely fashion. And really, my comments
19 on this Item are the same as my comments on the last Item.
20 I'm in strong support.

21 CHAIR HOCHSCHILD: Okay. Unless there's further
22 Commissioner discussion, I would entertain a motion from
23 Commissioner Douglas on Item 3.

24 COMMISSIONER DOUGLAS: Move approval of Item 3.

25 CHAIR HOCHSCHILD: All right.

1 COMMISSIONER GUNDA: Second.

2 CHAIR HOCHSCHILD: Commissioner Gunda, would you
3 be willing to second?

4 COMMISSIONER GUNDA: Yes, second Item 3.

5 CHAIR HOCHSCHILD: Okay. All in favor, say aye.
6 Commissioner Douglas?

7 COMMISSIONER DOUGLAS: Aye.

8 CHAIR HOCHSCHILD: Commissioner Gunda.

9 COMMISSIONER GUNDA: Aye.

10 CHAIR HOCHSCHILD: Commissioner McAllister?

11 COMMISSIONER MCALLISTER: Aye.

12 CHAIR HOCHSCHILD: Commissioner Monahan?

13 COMMISSIONER MONAHAN: Aye.

14 CHAIR HOCHSCHILD: I vote aye as well. That item
15 passes unanimously. Thanks to all the Parties.

16 Let's turn now to Item 4 California Schools
17 Healthy Air, Plumbing and Efficiency Program.

18 MR. FONG: Good morning, Chair and Commissioners.
19 My name is Jonathan Fong, manager of the School Stimulus
20 Office in the Renewable Energy Division. With me today
21 from the Chief Counsels office is Matthew Pinkerton.

22 Staff is recommending adoption of the California
23 Schools Healthy Air, Plumbing and Efficiency, or CalSHAPE
24 Ventilation Program guidelines, which were previously
25 considered for adoption at the June 9th business meeting.

1 The guidelines for the CalSHAPE Plumbing Program were
2 adopted, but Ventilation Program guidelines were postponed
3 to provide Staff additional time to evaluate the maximum
4 award amounts proposed in the guidelines. Next slide,
5 please.

6 As I explained at the previous business meeting,
7 CalSHAPE is comprised of two programs, the Ventilation and
8 Plumbing Programs. CalSHAPE was enacted with the passage
9 of Assembly Bill 841, which was signed into law in
10 September of 2020 and directed the Energy Commission to
11 form and administer the CalSHAPE programs. The Ventilation
12 Program provides grants to assess, maintain, and repair or
13 replace ventilation systems. And the Plumbing Program
14 provides grants to replace aging and inefficient plumbing
15 fixtures and appliances.

16 These programs include scopes of work that
17 require the use of qualified testing personnel and skilled
18 and trained workforces. This will result in improving
19 indoor air quality in classrooms, the reduction of water
20 usage at schools, and create high paying jobs that will
21 assist in California's economic recovery. Next slide,

22 please. Program funding comes from the large Gas and
23 Electric Utilities Energy Efficiency Rolling Portfolio
24 Funds and is based on the utilities annual budget Advice
25 Letter Filings, which are submitted to and approved by the

1 California Public Utilities Commission. The CEC received
2 funds from the utilities on a quarterly basis for three
3 years, from 2021 to 2023. The quarterly receipt of payment
4 is important because unlike other grant programs, CalSHAPE
5 does not receive all of its funding up front and the full
6 amount of funding may not be available in the year it's
7 always collected, nor are the funds accrued on the same
8 schedule.

9 For 2021, the funds accrued for the program is
10 about 266 million dollars. The full amount will be
11 available for grant awards, with 75% of the program funds
12 allocated towards the Ventilation Program and 25% of the
13 funds allocated to the Plumbing Program. The
14 overall -- the overall program budget is estimated to be
15 500 million dollars, with the potential to be higher. The
16 utilities budgets are approved annually by the PUC. So
17 final budgets for 2022 and 2023 are only an estimate at
18 this point.

19 And additionally, although the funds are
20 collected for three years, the statute allows the CEC to
21 administer this program through December of 2026. Next
22 slide, please.

23 For the initial phase of the program, grants will
24 be awarded to local educational agencies, or LEAs for
25 short. LEAs are school districts as defined in the

1 education code, which includes county boards of education,
2 county superintendent of schools, direct instructional
3 services provided by the State, and charter schools. 100%
4 of the program funding in the initial phase of CalSHAPE
5 awards will be available only to schools located in an area
6 that meets the criteria for designation as an underserved
7 community.

8 To qualify, the area must meet at least one of
9 five criteria, as defined in the statute, which are: a
10 community median household income of less than 80% of the
11 statewide average; within an area identified as the most
12 disadvantaged 25% in the State, according to the
13 CalEnviroScreen tool; a community in which 75% of the
14 public schools in the area are eligible to receive free or
15 reduced price meals under the National School Lunch
16 Program; or a community located on lands belonging to a
17 federally recognized California Indian tribe.

18 Prioritizing underserved schools in the initial phase
19 will provide grants to schools that are in the most need of
20 support. And with such a broad definition of underserved
21 schools, Staff estimates that nearly 60% of the schools in
22 the State will at least -- will at least meet one of the
23 five criteria. And due to the great number of eligible
24 schools, establishing a reasonable maximum award is
25 essential to ensure that funds are available for as many of

1 these schools as possible and to provide oversight that all
2 costs associated with these grants are reasonable based on
3 our program requirements. Next slide, please.

4 As part of the implementation of the CalSHAPE
5 Program, Staff has developed an online reporting system.
6 This system was designed with the focus on ease of use and
7 a simplified application for submittal process. The system
8 was open for account registration on June 15th and Staff
9 prepared user instructions in an informational video, which
10 had been posted to our website to assist LEAs and
11 authorized representatives with account registration. And
12 the screenshot here on this slide is just a representation
13 of the home page of a registered user logged into the
14 system. And as of this morning, we've -- we're pleased to
15 announce that there's over 120 already registered account
16 users in our system.

17 There are also, I'd like to point out, some
18 limitations on when the CEC can begin to accept and approve
19 applications. The CEC is not able to enter into agreements
20 for program grants until after the 2021, 2022 budget is
21 enacted. The Staff expects to open the first funding round
22 of applications shortly thereafter and will issue notices
23 with all the necessary information for grant applications
24 before we open the funding round. Next slide, please.

25 For the CalSHAPE Ventilation Program, the initial

57

1 phase of program awards is limited to assessment and
2 maintenance grants and is available for planned projects or
3 for reimbursement for projects that were contracted for and
4 performed after August 1st, 202, consistent with the
5 statute. The grant award will be equal to the amount
6 requested by the LEA and verified by a contractor's
7 estimate for the reasonable cost to perform the work.
8 Applicants for the HVAC and assessment and maintenance
9 pathway will also receive a 20% contingency for repairs,
10 upgrades, or replacements to make the system more
11 functional or energy efficient. Grants for larger system
12 repair or replacement projects may be available in a future
13 phase of the program awards. Next slide, please.

14 Following the June 9th business meeting, Staff
15 met with and collected cost data from LEAs and other
16 stakeholders that have participated in our program. Staff
17 considered all the information provided to determine if the
18 maximum grant awards is currently described in the
19 guidelines Warranted Revision. As shown on this slide, the
20 maximum awards previously proposed in the guidelines
21 included a Static Assessment Report Cost and Unit Cost
22 Maximums for CO₂ monitors and filters.

23 After considering all the input received, you
24 know Staff has recommended revision to the maximum award.
25 Staff is recommending a base amount award with a dollar per

1 unit cost metric for HVAC units. Additionally, the CO₂
2 Monitor Cost was increased, and our 20% contingency was
3 revised to include the CO₂ monitors. Staff feels that the
4 revised amounts will increase the ability for the grant
5 funding to cover as much of the program costs as possible,
6 while still allowing program staff to ensure reasonable
7 costs associated with implementing this program. Next
8 slide, please.

9 Finally, Staff would again like to thank all of
10 our program staff behind the guidelines who have diligently
11 helped in revising these guidelines with such a short
12 turnaround since the last business meeting. I'd also like
13 to thank all the stakeholders who continue to provide us
14 additional information to help. Without their assistance,
15 we could not ever revised these guidelines in such amount
16 of time. So we would, again, like to thank everyone for
17 their input in this process.

18 With that, Staff is recommending that the CEC
19 approve the CalSHAPE Ventilation Program guidelines and
20 Staff is also recommending approving the determination that
21 the adoption of these guidelines is exempt from CEQA. This
22 concludes Staff's presentation, and I'm available to answer
23 your questions.

24 CHAIR HOCHSCHILD: Thank you so much, Jonathan,
25 for all your diligence. And I would just highlight this

1 program builds on the tremendous work that Commissioner
2 McAllister and Staff did with Prop. 39, 1.75 billion
3 dollars put out into schools in every county in the State.
4 And this aligns really nicely with the needs we have right
5 now for economic recovery, for improvement of indoor air
6 quality. And so really excited to get this -- get this
7 going and that such a significant investment will be made
8 this year. So thank you for all the work. And let's turn
9 now to public comment.

10 MS. GALLARDO: This is Noemi, the public
11 adviser. Reminder to the audience, if you would like to
12 make a public comment, please use the raised hand feature
13 if you're on by phone, press *9 to indicate you'd like to
14 make a comment and then *6 to unmute. We do have a hand
15 raised. So that's Chris Walker. Chris, reminder to spell
16 your name, indicate your affiliation, if any. Your line is
17 open and, you may begin.

18 MR. WALKER: Good morning. Chris Walker, C-H-R-
19 I-S, W-A-L-K-E-R on behalf of the California Association of
20 Sheet Metal and Air-Conditioning Contractors. Would like
21 to thank Commissioners Douglas and McAllister and their
22 staff, with a special call out to Natalie Lee and Jonathan
23 Fong for working with all stakeholders and really, really
24 listening to us. We are in support of the staff
25 recommendation for adoption today. The change in the max

60

1 cap formula will make it possible for all schools to
2 participate in this program, regardless of size. We are
3 very appreciative and look forward to working with the
4 Commission on future implementation. Thank you and thank
5 you for all your efforts. This is going to be a terrific
6 program for schools, kids and teachers. Thank you.

7 MS. GALLARDO: Thank you. Next is Christopher
8 Ruch, and Christopher apologies if I mispronounced your
9 name. Please restate it, please spell your name, and
10 indicate your affiliation, if any. Your line is open, and
11 you may begin.

12 MR. RUCH: Yes, this is Christopher Ruch. I'm
13 with the National Energy Management Institute. It's
14 C-H-R-I-S, R-U-C-H. I just wanted to thank the staff and
15 the commissioners for the work they've done on this.
16 [Indiscernible] really appreciates the staff's extensive
17 work on this program. They had a very short amount of
18 time, and I think everyone should respect that also, they
19 put a lot of careful consideration into all stakeholders.
20 And I just want to thank overall the CEC for what they've
21 done with this. Thank you.

22 MS. GALLARDO: Thank you. All right, that is the
23 last hand, so no more public comment on Item 4.

24 CHAIR HOCHSCHILD: Thank you. Just before we
25 turn to Commissioner discussion, I, you know, after a while

1 sometimes we start to repeat ourselves. Commissioner, at
2 one point, Commissioner McAllister's has made often is
3 about our process. And I just wanted to highlight that I
4 really appreciated the thoughtful way that we took back the
5 Item when it wasn't quite right at the last meeting and had
6 more dialogue and got to this point. So with that, let's
7 move on to Commissioner discussion. Commissioner Douglas.

8 COMMISSIONER DOUGLAS: Yeah. Thank you, Chair
9 Hochschild. I wanted to start by thanking Jonathan and the
10 Renewables, and the CCO teams for taking, as you said, the
11 additional time after the last business meeting to meet
12 with stakeholders, reevaluate, revise the proposed max --
13 the maximum proposed award, and ensure, to the extent
14 feasible, an even more equitable allocation of grant funds.

15 The proposal ensures reasonable costs and
16 increases the availability of grants for funds and it, I
17 think it strikes the right balance in terms of achieving
18 that and allowing us to move forward. I recognize that the
19 maximum award may not cover the entire scope of work for
20 some of the larger middle and high schools, but I think
21 it's a pretty good amount. And I appreciate the work that
22 Staff has done to get there. And all of the stakeholder
23 input that helped shape this.

24 So let's see, I wanted to thank Commissioner
25 McAllister and his advisor [indiscernible], and the LEAs

1 and other stakeholders, and I strongly support these
2 guidelines. So thank you.

3 CHAIR HOCHSCHILD: Thank you. And thanks also to
4 our former vice chair.

5 COMMISSIONER DOUGLAS: For getting this. Stood
6 up at the beginning. I had dinner with her last week, and
7 I know she'd be excited to see this at his point.
8 Commissioner McAllister.

9 COMMISSIONER MCALLISTER: Just very quickly. I
10 just would second everything the Commissioner Douglas said.
11 And I actually had lunch with the former Vice Chair Scott a
12 couple of weeks ago and transmitted a very similar message.
13 And I know she's happy to see this come to fruition as
14 well.

15 But just I want to thank Jonathan in particular
16 and Natalie for really just doing a lot of triangulation
17 between a variety of stakeholder positions and coming up
18 with a nicely balanced solution that's going to cover, you
19 know, most of the cost of most projects and still have
20 enough flexibility for schools to participate. So I'm
21 happy with where this landed, and I appreciate all the
22 stakeholders who helped us get there.

23 CHAIR HOCHSCHILD: Okay. Thank you. Unless
24 there's other comments I'd entertain a motion from
25 Commissioner Douglas.

1 COMMISSIONER DOUGLAS: Thank you. Move approval
2 of this Item.

3 CHAIR HOCHSCHILD: Commissioner McAllister, would
4 you be willing --

5 COMMISSIONER MCALLISTER: I second.

6 CHAIR HOCHSCHILD: Okay. All in favor, say aye.
7 Commissioner Douglas?

8 COMMISSIONER DOUGLAS: Aye.

9 CHAIR HOCHSCHILD: McAllister?

10 COMMISSIONER MCALLISTER: Aye.

11 CHAIR HOCHSCHILD: Commissioner Monahan?

12 COMMISSIONER Monahan: Aye.

13 CHAIR HOCHSCHILD: Commissioner Gunda?

14 COMMISSIONER GUNDA: Aye.

15 CHAIR HOCHSCHILD: And I vote aye as well.

16 That motion passes unanimously. Congratulations,
17 everyone. Jonathan, just before we let you go, remind us,
18 the first approvals will begin next month or in August.
19 What's the timing on the actual.

20 MR. FONG: That's a good question, Chair. We're
21 moving to make sure we can test the system as much as
22 possible, make sure everyone who's trying to register can
23 and make sure that the application process is clear and our
24 instructions are very tight so that anybody who wants to,
25 knows how to apply.

1 So with that, we are moving as fast as we can,
2 but once all those -- all the information is ready, we will
3 open it. We are targeting next month. But you know again,
4 we'll post plenty of notices beforehand so everyone's
5 aware.

6 CHAIR HOCHSCHILD: Great. Thank you, Jonathan.
7 Keep up the good work. Okay.

8 MR. FONG: Thank you.

9 CHAIR HOCHSCHILD: Let's turn now to Item 5, Lead
10 Commissioner or Presiding Member Reports, beginning with
11 Commissioner Gunda.

12 COMMISSIONER GUNDA: Thank you, Chair. We did
13 have a extensive report out earlier this month, so just to
14 add shortcutting a couple of issues, we went through the
15 first heat wave last week of this year. We had some, you
16 know, the first FLEX alert for the year. For those of you
17 who are hearing, we reached up to 120 degrees in Palm
18 Springs last year, last week. So just the summer has begun
19 sooner than we wanted. And the reliability concerns are
20 something that's important for CEC and we'll continue to
21 track and work on them. I just want to take this
22 opportunity to thank Staff from [indiscernible], citing
23 Justin Cochran as well as our executive director, Drew
24 Bohan, and for all the support last week in getting
25 through. So just wanted to note that. Thank you.

1 CHAIR HOCHSCHILD: Thank you. Let's go to
2 Commissioner Douglas.

3 COMMISSIONER DOUGLAS: Thank you. I do not have
4 any additions to my report. I spent the last week on
5 vacation, mostly in northern, far northern California in
6 the Pacific Northwest. It was wonderful, though hotter
7 than usual, as Commissioner Gunda has noted. Thank you.

8 CHAIR HOCHSCHILD: Wonderful. Well, welcome back
9 and glad you took a vacation. I really want to, again,
10 encourage Staff to take vacation because people have been
11 working incredibly hard. And I think, you know, it is a
12 goal I have for all of us to live in balance and not get
13 burned out because I know Commissioners and Staff have been
14 working overtime. So let's go to Commissioner McAllister.

15 COMMISSIONER MCALLISTER: Again, not much to add
16 to my report. Just wanted to thank, from last time the
17 previous one this month, but just wanted to thank Heather
18 RAITT and the IEPR team for really getting the various
19 track -- trains moving down the parallel tracks and the
20 themes that we have in IEPR this year. Workshops are
21 moving forward. Had a couple of nice workshops on building
22 decarb and load flexibility lately.

23 So and then also just happy with a lot of the
24 progress that the Safety Division is making on load
25 management, on the appliance flexibility in SB-49. So just

1 lots going on. I was absolutely -- I was also very
2 thrilled to have a little bit of time off last week and
3 went down to Mexico and saw my parents for the first time
4 in almost two years. So hopefully lots of us across the
5 Commission and beyond are having similar experiences
6 reconnecting with their families after too long apart. So
7 I was good to get a mostly workfree week.

8 CHAIR HOCHSCHILD: Okay.

9 COMMISSIONER MCALLISTER: And good to be back.

10 CHAIR HOCHSCHILD: Wonderful. Commissioner
11 Monahan.

12 COMMISSIONER MONAHAN: Well, just briefly, we are
13 making progress on getting to the finish line on the MOU
14 with the City of John Chacko in China relating to hydrogen,
15 and also ZEVs more broadly. And this is a really long
16 process that actually started right before Covid hit. I
17 don't know if you guys remember, but I went to China right
18 in January. Right as Covid was just taking off. And so
19 it's been a long -- a long haul, but it looks like we're
20 very close to the finish line. So hopefully within the
21 next week or two we'll be able to have an announcement
22 about that.

23 And yeah, just internationally, I think around
24 the Council Parties, I think that zero-emission
25 transportation is going to be a major area of focus. So

67

1 I'm excited about this international possibility of
2 alignment around what we're doing here in California with
3 other lead nations across the globe.

4 CHAIR HOCHSCHILD: Thank you, Commissioner. And
5 I'll just share very briefly an update. I'm down in
6 Southern California for this Clean Mobility Conference with
7 the military. You know, just incredible to see the
8 commitment. You know, by all accounts, President Biden is
9 the strongest leader on climate than any other president,
10 including the Obama presidency. Just the feedback I've
11 been getting has been very clear about that.

12 The Marines hosted an amazing summit yesterday.
13 Just to give you a sense of some of the technologies
14 they're doing is one called OSSSI, O-S-S-I, which are these
15 driverless electric vehicles that go around campuses or
16 bases on a fixed route with Lidar and, you know, just
17 they're rolling that out. A lot of smaller electric
18 vehicles being deployed on bases now. And I think probably
19 one of the coolest innovations I've seen is a company
20 called Beam Energy, which makes basically a structure that
21 is a 43 kilowatt hour battery with a canopy, solar canopy,
22 four and a half KW canopy connected to a steel plate,
23 12,000 pound steel plate, flat plate that fits in a single
24 parking space and can power up to six EV chargers. But
25 really, two level two chargers full charge, and just takes

68

1 five minutes to install and you can pop it down anywhere.
2 You don't have to trench, you don't have to get a permit.
3 And so they're manufacturing in Southern California and
4 scaling rapidly. You know, this is the way to charge EVs,
5 even with the challenges with the grid. So just love to
6 see this innovation.

7 I really wanted to thank, especially Commissioner
8 Gunda, for all the work on supporting reliability. We've
9 been working incredibly hard on that. Been doing twice a
10 day calls with the Governor's Office, and PUC, and Kyso
11 [ph.] and our colleagues on that during the heat events. I
12 will share, you know one of the innovations that the Energy
13 Commission has funded is Home Connect. They're now 170,000
14 enrolled customers in California. They're adding 2,000 a
15 day. So every 2,000 customers that sign up with a Smart
16 Plug is a megawatt of load reduction we can get, If they
17 do it with smart thermostats, you know it's only a thousand
18 customers is equivalent to a megawatt. So we're adding,
19 you know, a little over a megawatt a day now with these
20 sign ups. We want to get that from 170,000 to a million
21 and more.

22 And there's other great companies, LEAP and
23 others that are doing that. Demand response, I think is
24 going to be fundamental to our success. And I still think,
25 as a State we're punching below our weight. But I do want

1 to just again ask everybody to participate when the FLEX
2 alerts come across. That has been a critical element.
3 It's a 25 million dollar campaign. We just got the
4 briefing on that, which is launching this week. And
5 I -- and I stress on the word FLEX because the message is
6 actually not just a conservation message during those
7 critical peak hours, it's also we want people to use power
8 earlier in the day when we have a surplus of clean solar
9 energy on the grid to pre-cool your homes. It's a lot
10 easier to turn down the AC if your home is pretty cool. So
11 that's going to be the focus of the FLEX alert campaign,
12 which was launched this week. And we're working very, very
13 hard with all of our colleagues to support grid
14 reliability. So I just want to thank Commissioner Gunda.

15 I think I got everybody. Correct? So with that,
16 let's go to Executive Director, Item 6. Do you have a
17 report, Drew?

18 MR. BOHAN: Good morning, still. Drew Bohan
19 here. No, I don't have a report. Thank you.

20 CHAIR HOCHSCHILD: Okay. Item 7, Public
21 Advisor's Report.

22 MS. GALLARDO: Hello. This is Noemi. I do not
23 have a report either.

24 CHAIR HOCHSCHILD: Okay. Thank you. Public
25 comment.

1 MS. GALLARDO: So this is Noemi again. I'll give
2 the instructions. This is the period for any person
3 wishing to comment on information items or reports of the
4 meeting agenda or any other item. Each person has up to
5 three minutes to comment and comments are limited to one
6 representative per organization. We may reduce the comment
7 time depending on the number of commenters. Please use the
8 raised hand icon to indicate your interest in making public
9 comment. If you're on the phone press *9 to raise your
10 hand and *6 to unmute. After you are called on, please
11 restate and spell your first and last names. State your
12 affiliation if any, and do not use the speakerphone when
13 talking because we won't hear you clearly. All right.

14 I will look for hands now. All right. Chair, I
15 do not see any hands. So no comment for Item 8.

16 CHAIR HOCHSCHILD: Thank you. Let's turn now to
17 Item 9, Chief Counsel's report.

18 MS. BARRERA: Good morning, Chair and
19 Commissioners. I have no General Report today, other than
20 to recommend a closed session to briefly discuss the
21 litigation, which the Chair will disclose.

22 CHAIR HOCHSCHILD: Okay. I will. Oh, I forgot
23 to share one other thing I wanted to do. I turned 50 on
24 Sunday and my wife's parents gave me this gift. As you
25 know, they're from China and they gave me a framed portrait

1 of the Chinese script for the word longevity, which I was
2 very touched by until my wife explained to me that that's a
3 gift that's typically given to the elderly. So I'm
4 feeling -- I'm feeling my age, but it was a wonderful
5 birthday.

6 So okay. I agree. Let's go to closed session.
7 Thank you, Linda, for that. And so, based on your
8 recommendation, the Energy Commission will now go into a
9 closed session as specified in Agenda Item 9(a), which
10 provides notice that the Commission may adjourn to a closed
11 session with its legal counsel pursuant to government code
12 Section 11126(e) to discuss litigation to which the
13 Commission is a party. The Commission will specifically
14 discuss Item 9(a)ii, which is Communities for a Better
15 Environment and Center for Biological Diversity versus
16 Energy Commission. The case is in the Alameda County
17 Superior Court, Case No. RG13681262. We anticipate
18 returning to our open session, I would say, in about 15
19 minutes. So with that, let's go to a closed session.

20 (The Commission went to closed session from 11:36
21 a.m. until 11:52 a.m.)

22 COMMISSIONER DOUGLAS: All right. This is
23 Commissioner Douglas. We are back from closed session.
24 And I'm here with Commissioners McAllister, Gunda, and
25 Commissioner Monahan. And we have no report out from the

1 closed session. And so we are now adjourned.

2 (The Business Meeting Adjourned at 11:52 a.m.)

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REPORTER' S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF,

I have hereunto set my hand this 7th day of July, 2021.



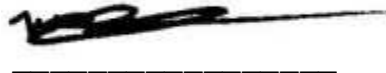
Jacqueline Denlinger
AAERT CERT # 747

TRANSCRIBER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of July, 2021.



Myra Severtson
Certified Transcriber
AAERT No. CET**D-852